

No. 12554.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

THOMAS G. CHAMBERLAIN and CENTRAL HANOVER BANK
& TRUST COMPANY, as Successor Trustees under the
Last Will and Testament of SAMUEL L. CLEMENS,
deceased, MARK TWAIN COMPANY and CLARA CLEMENS
SAMOSSOUD,

Appellants,

vs.

COLUMBIA PICTURES CORPORATION,

Appellee.

APPELLEE'S BRIEF.

MITCHELL, SILBERBERG & KNUPP and
LEONARD A. KAUFMAN,

603 Roosevelt Building, Los Angeles 17,
*Attorneys for Defendant, Columbia Pictures
Corporation.*

FILED

AUG 24 1950

TOPICAL INDEX.

PAGE

- A. The amended complaint fails to state a claim for infringement of trade-mark because plaintiffs' alleged mark is merely descriptive as applied to literary property..... 1
- B. The amended complaint fails to state a claim based on unfair competition 12

TABLE OF AUTHORITIES CITED.

CASES	PAGE
Ambassador Hotel Corp. v. Hotel Sherman Co., 226 Ill. App. 247	27
American Steel Foundries v. Robertson, 269 U. S. 372, 70 L. Ed. 317	4, 14, 29
American Washboard v. Saginaw Mfg. Co., 103 Fed. 281.....	15, 19, 20
Armstrong Cork Co. v. Ringwalt Linoleum Works, 235 Fed. 458	17
Armstrong Paint & Varnish Works v. Nu-Enamel Corp., 305 U. S. 315, 83 L. Ed. 195.....	2
Atlas v. Street & Smith, 204 Fed. 398.....	4
Borden's Condensed Milk Co. v. Horlick's Malted Milk Co., 206 Fed. 949.....	16
California Apparel Creators v. Wieder of California, 162 F. 2d 893	19, 21
Clemens v. Belford, Clark & Co., 14 Fed. 728.....	7
Font & Co. v. Lopez Bros., 36 Puerto Rico Reports 233.....	28
Jackson v. Universal International Pictures, 95 A. C. A. 99....	30
Krauss v. Jos. R. Peebles, Sons Co., 58 Fed. 585.....	27
Lacroix v. Nodal, 6 So. 795.....	28
Mosler Safe Co. v. Ely-Norris Safe Co., 273 U. S. 132, 71 L. Ed. 578	19, 20
Palmer v. Gulf Pub. Co., 79 Fed. Supp. 731.....	32
Richards & Company v. Butchee, 62 L. T. Reps. 867.....	28
Roberson v. Rochester Folding Box Company, 171 N. Y. 538, 59 L. R. A. 478.....	33
Societe des Hueles D'Olive de Nice v. Rorke, 39 N. Y. Supp. 28	28

	PAGE
Standard Paint Co. v. Trinidad Asphalt Mfg. Co., 220 U. S. 446, 55 L. Ed. 536.....	5, 7
Sunbeam Lighting Co. v. Sunbeam Corporation (C. C. A. 9, Case No. 12357, decided June 30, 1950).....	4
Warner Bros. v. Majestic Pictures Corporation, 70 F. 2d 310....	30

STATUTES

Federal Trade Commission Act, Sec. 5.....	21
Trade-mark Act, Sec. 1	4, 7
Trade-mark Act, Sec. 2	3
15 United States Code Annotated, Sec. 1051.....	4, 7
15 United States Code Annotated, Sec. 1052.....	3
15 United States Code Annotated, Sec. 1127.....	5
15 United States Code Annotated, Sec. 1052(e) (1), (3).....	2

TEXTBOOKS

52 American Jurisprudence, p. 536.....	5
52 American Jurisprudence, p. 537.....	5, 7
Restatement of Law of Torts, Secs. 715, 716, 717, 721, 722.....	2

No. 12554.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

THOMAS G. CHAMBERLAIN and CENTRAL HANOVER BANK
& TRUST COMPANY, as Successor Trustees under the
Last Will and Testament of SAMUEL L. CLEMENS,
deceased, MARK TWAIN COMPANY and CLARA CLEMENS
SAMOSSOUD,

Appellants,

vs.

COLUMBIA PICTURES CORPORATION,

Appellee.

APPELLEE'S BRIEF.

A. The Amended Complaint Fails to State a Claim
for Infringement of Trade-mark Because Plain-
tiffs' Alleged Mark Is Merely Descriptive as
Applied to Literary Property.

Plaintiffs contend that their trade-mark has been in-
fringed by defendant's use of the name, Mark Twain, to
describe the source of the story of its motion picture.
Whatever may be plaintiffs' rights with respect to the
use of the name as applied to such commercial goods as
bicycles, hats, or pipe organs, they have no right to the
exclusive use of the author's name *in connection with lit-
erary or dramatic properties*. The right to such exclusive
use in connection with literary or dramatic properties is

prerequisite to the protection of the alleged trade-mark in this case, and plaintiffs can have no such exclusive right because the name, Mark Twain, is “descriptive” and also “primarily a surname” when used in connection with such properties.

15 U. S. C. A., Sec. 1052(e)(1), (3);

Restatement of Torts, Secs. 715, 716, 717, 721, 722.

A trade-mark may be non-descriptive with reference to one product and descriptive with reference to another. The mark upon which a plaintiff relies in an action based on trade-mark must be non-descriptive *as applied to defendant's product*. In this case that product is a literary work.

Armstrong Paint & Varnish Works v. Nu-Enamel Corp., 305 U. S. 315, 83 L. Ed. 195.

In the *Armstrong* case the complaint alleged that plaintiff had registered the word “Nu-Enamel” for “mixed paints, varnishes, paint enamels, prepared shellac, stains, lacquers, etc.” The Court held:

(a) The Federal Trade-mark Act does not create any substantive rights in the registrant, but merely provides procedural remedies.

(b) Registration under the Act may be attacked collaterally.

(c) “Nu-Enamel” is descriptive and the trade-mark is invalid.

“The trade-mark is registered by the Nu-Enamel Corporation for a variety of products from enamels through paint brushes to glue, solder and tack rags.

It is quite true that the mark is not descriptive as applied to many of respondent's products, but the use by petitioner, the Armstrong Company, of which the Nu-Enamel Corporation complains, is the use of 'Nu-Enamel' or 'Nu-Beauty Enamel.' This use, Armstrong answers, and the evidence supports the assertion, is confined to the enamels. *We must, therefore, consider the case as though the only products of Nu-Enamel Corporation were enamels. As applied to them, it is descriptive.*" (P. 203; emphasis added.)

Similarly, defendant Columbia Pictures' use of the name, Mark Twain, is confined to literary works and this Court must consider the question of descriptiveness or non-descriptiveness solely with respect to literary properties.

"Mark Twain" comes within the exception of Section 2 of the Trade-mark Act (15 U. S. C. A., Sec. 1052) which provides that:

"No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration . . . on account of its nature unless it—(e) consists of a mark which, (1) *when applied to the goods of the applicant* is merely descriptive . . . of them, or . . . (3) is primarily a surname." (Emphasis added.)

(That a trade-mark may be protected in connection with its use on one article and not on another has clearly been established.

"The mere fact that one person has adopted and used a trade-mark on his goods does not prevent the

adoption and use of the same trade-mark by others on articles of a different description.”

American Steel Foundries v. Robertson, 269 U. S. 372, 381, 70 L. Ed. 317, 320;

Sunbeam Lighting Co. v. Sunbeam Corporation, C. C. A. 9, Case No. 12357, decided June 30, 1950;

Atlas v. Street & Smith, 204 Fed. 398.

This principle is recognized in Section 1 of the Trade-mark Act itself (15 U. S. C. A., Sec. 1051) which requires the applicant for registration to specify “the goods with which the mark is used and the mode and manner in which the mark is used in connection with such goods”).

The entire following discussion, therefore, is intended to refer to plaintiffs’ right to the exclusive use of the name, Mark Twain, in connection with literary property.

A mark or name is either descriptive of the product—that is, refers to a characteristic of the product—or it points to the origin of the product—that is, indicates its ownership or production by plaintiffs. It is submitted that the name, Mark Twain, is descriptive and does not refer to origin. It describes a characteristic of a literary work, namely, that it was written by Mark Twain. *It does not refer to plaintiffs in any way*, and reference to plaintiffs is the only function of a trade-mark. To be a valid trade-mark, the name, Mark Twain, would have to signify origin from a single, though perhaps anonymous, source (i.e., plaintiffs); the name signifies no such thing. It signifies the author.

Moreover, defendant made it abundantly clear in its advertising that “Mark Twain” was intended as a descrip-

tion of its motion picture. Defendant did not use the name by itself but as part of such phrases as "Based on the Mark Twain story . . ." or "A story only Mark Twain could tell." [R. 8-9.]

The Trade-mark Act defines a "trade-mark" as "any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify *his* goods and distinguish them *from those manufactured or sold by others.*" (15 U. S. C. A., Sec. 1127; emphasis added.)

A trade-mark is a mark "which serves the purpose of distinguishing the goods of a *particular producer or dealer* and which . . . is of such a nature as to be susceptible of *exclusive appropriation by one person.*"

52 Am. Jur. 536-7 (emphasis added; citing *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446, 55 L. Ed. 536, and many other decisions of the U. S. Supreme Court and other courts).

A trade-mark gives its owner the *exclusive* right to use it. If plaintiffs, here, have a valid trade-mark in the name, Mark Twain, they have the right to prevent *anyone* from using that name. Plaintiffs cannot successfully argue that, by virtue of their alleged trade-mark, they have the right to prevent *some* persons (such as defendant) from using the name, but not others. Whatever may be plaintiffs' rights to prevent defendant and some others from using the name in a particular manner on the theory of *unfair competition*, on the theory of *trade-mark* plaintiffs have the right to enjoin all users or none. *Plaintiffs either have a valid trade-mark or they don't have one.*

It is apparent from the face of the amended complaint that plaintiffs do not have a valid trade-mark. Plaintiffs allege that they own *some* of Mark Twain's works. Some others are in the public domain, free to be used by anyone. (THE JUMPING FROG is in this group.) If TOM SAWYER and HUCKLEBERRY FINN are in the public domain, can plaintiffs enjoin anyone who publishes these stories from representing that they were written by Mark Twain? Obviously not. Yet if plaintiffs' alleged trade-mark in the name, Mark Twain, were valid, they could do so, since the right in a trade-mark is an *exclusive* right. The legality of the use of another's trade-mark does not depend upon the nature of that use.

As stated in the above quotations, a trade-mark is a device used by a merchant to designate *his* goods—and his goods exclusively; the mark distinguishes the goods of *that* "particular producer or dealer." *A trade-mark refers to the merchant who owns it.* When defendant, here, advertised its picture as based on a Mark Twain story, no one could possibly construe this as a reference to *plaintiffs*; that is, the name, Mark Twain, does not identify plaintiffs' goods or "distinguish them from those manufactured or sold by others." Plaintiffs own only a portion of the Mark Twain stories.

"No one can claim protection for the exclusive use of a trade-mark or trade-name which would give him a monopoly in the sale of any goods other than those produced by himself. Accordingly, no sign or form of words can be appropriated as a valid trade-mark

which, from the nature of the fact conveyed by its primary meaning, others may employ with equal truth and with equal right for the same purpose."

52 Am. Jur. 537 (emphasis added; citing *Standard Paint Co. v. Trinidad Asphalt Mfg. Co.*, 220 U. S. 446, 55 L. Ed. 536, and other decisions of the U. S. Supreme Court).

The "primary meaning" of "Mark Twain" is the author, Samuel Clemens—not the Hanover Bank & Trust Company, *et al.*, plaintiffs here. Since "others may employ with equal truth and with equal right for the same purpose," the name, Mark Twain, plaintiffs are not entitled to protection.

The requirement of a valid trade-mark here discussed is embodied in Section 1 of the Trade-mark Act (15 U. S. C. A., Sec. 1051) which provides that before the owner of a trade-mark may register it, he must file in the Patent Office a verified application to the effect that he believes that "no other person . . . has the right to use the mark." Plaintiffs clearly could not, truthfully, make such statement, because anyone who publishes a Mark Twain story may use the name, Mark Twain.

Samuel Clemens (Mark Twain) himself, the author of *THE JUMPING FROG*, once brought an action in a Federal court which, it is urged, clearly demonstrates that the pseudonym, Mark Twain, is not a proper subject of trade-mark protection in connection with literary property.

Clemens v. Belford, Clark & Co., 14 Fed. 728.

"The bill in this case states that complainant has, for about 20 years last past, been an author and writer by profession; that he has been in the habit

for said time of publishing articles, sketches, books, and other literary matter, composed by him for publication under the name, assumed by him to designate himself as the author and writer of such sketches, articles, books and other literary matter, of 'Mark Twain'; that the said designation of 'Mark Twain' has been used by him during the last 20 years as his *nom de plume* or trade-mark as an author; that his said writings, under the designation of 'Mark Twain,' have acquired great popularity, and met with a ready and continuous sale, and that no other person has been licensed or permitted by him to use said designation of 'Mark Twain' as a *nom de plume* or designation of authorship; . . .” (P. 729.)

Defendant publishing firm, without permission from Twain, who was then alive, compiled a number of his stories and sketches in a volume entitled “Sketches of Mark Twain.” All of these sketches were in the public domain, one of them being the “Jumping Frog Restored to the English Tongue after Martyrdom in the French.” Twain, claiming that he had a trade-mark in his *nom de plume*, sought an injunction and damages. The Court dismissed the complaint, writing:

“Trade-marks are the means by which the manufacturers of vendible merchandise designate or state to the public the quality of such goods, and the fact that they are the manufacturers of them; and one person may have several trade-marks, designating different kinds of goods or different qualities of the same kind; but an author cannot, by adoption of a NOM DE PLUME, be allowed to defeat the well-settled rules of the common law in force in this country, that the ‘publication of a literary work without copy-

right is a dedication to the public, after which any-one may republish it.' . . . any person who chooses to do so, can republish any uncopyrighted literary production, and give the name of the author, either upon the title-page, or otherwise, as best suits the interest or taste of the person so republishing." (Pp. 731-2; emphasis added.)

Plaintiffs seek (Op. Br. 14-15) to distinguish the *Clemens* case on the ground that they "seek to protect their property right of trade-mark 'Mark Twain,' which trade-mark is used to designate the origin and ownership of their literary works, which property right has no relationship or bearing to the literary content or literary material." Samuel Clemens, too, like plaintiffs here, sought to protect his alleged trade-mark in his *nom de plume*, Mark Twain. Clemens alleged that, by defendant's acts he had "been greatly injured, and his property in the said *nom de plume* or trade-mark of 'Mark Twain' as a commercial designation of authorship has been deteriorated and lessened in value" and sought damages and an injunction.

The name, Mark Twain, does *not* designate the "origin and ownership" of their literary works as plaintiffs state that it does. It designates the author, not the owner. The thoughts of a prospective theatre patron, viewing defendant's advertising that "Best Man Wins" is based on Mark Twain's story, "The Celebrated Jumping Frog of Calaveras County," would be directed to the famous author and could in no sense suggest the present owner of "The Jumping Frog," let alone the owners of other Mark Twain stories not even referred to in the advertising.

Plaintiffs devote pages of their opening brief to criticism of defendant's contention that the name, Mark Twain, is merely descriptive. It is submitted that plaintiffs' discussion in fact *aids* defendant. Plaintiffs state or quote the following:

"The former Trade-mark Act precluded registration of marks or words which were clearly descriptive." (P. 11.)

As shown above, the present Trade-mark Act has a similar provision.

"To justify finding that words are merely descriptive and that registration of trade-mark is invalid, it must be shown that they apply especially to some ingredient, quality or characteristic of the products to which they are applied." (P. 12.)

As already shown, the name, Mark Twain, *does* show a characteristic of a literary work: its authorship.

"The question of the descriptiveness of a mark must be considered in the light of its significance to the purchaser." (P. 12.)

The name, Mark Twain, to a purchaser, means that the literary work was written by Mark Twain, not that it is owned by plaintiffs. It does not refer to ownership.

"A trade-mark must, either by itself or by association, point distinctively to the origin or ownership of the article, to which it is applied." (P. 12.)

The name, Mark Twain, does not point to the origin or the ownership in plaintiffs in any one of the literary works to which it is applied.

"Former Section 85 of this title did not exclude from registration a descriptive mark if applicant had

the right to use the mark involved and no one else had the right to such use in identical form or in such near resemblance as might be calculated to deceive.” (P. 14.)

It is not true in the case at bar that “no one else had the right to such use in identical form”; anyone who published a Mark Twain story had the right to use the name, Mark Twain.

Plaintiffs quote at length from Daphne Robert. (Op. Br. 10-11.) Miss Robert expressly states in the quoted portion of her commentary that descriptive words were *and are* denied registration. She then writes:

“However, if, through substantially exclusive and continuous use, the mark becomes distinctive and indicates in the market place *only the goods or services of the user*, it may be registered . . .” (Emphasis added.)

The “user,” in the case at bar, is plaintiffs. The name, Mark Twain, does not indicate the goods or services of plaintiffs at all, but only a characteristic of the work to which it is connected.

Plaintiffs themselves emphasize this fact when they quote (Op. Br. 11) from their amended complaint in which they allege that “Mark Twain . . . indicates in the literary market throughout the world only the literary works and writings of Samuel L. Clemens, deceased.”

B. The Amended Complaint Fails to State a Claim Based on Unfair Competition.

The nub of plaintiffs' claim is set out in paragraphs XX and XXII of the amended complaint. [R. 9-11.] Plaintiffs allege that the uncopyrighted Mark Twain story, "The Celebrated Jumping Frog of Calaveras County" (in which they have no interest whatsoever), (1) concerns Jim Smiley, the central character, (2) who would bet on anything, (3) who owns a pumping frog, (4) named "Dan'l Webster," and (5) who loses a bet because his frog gets filled with buckshot. The central character of defendant's motion picture also is Jim Smiley, the gambler, who owns a jumping frog named "Dan'l Webster"; however, the "buckshot" incident is "different" from that in the Mark Twain story, and the short story is expanded into a full length motion picture.

The amended complaint alleges that defendant advertised its picture as "Based on the Mark Twain story, 'The Celebrated Jumping Frog of Calaveras County,'" or as "One of Mark Twain's favorite stories." [Paragraph XVIII, R. 8.] During the hearing before the trial court of defendant's motion to dismiss the amended complaint, *plaintiffs conceded that they stated no cause of action based on defendant's advertising its picture as "based on" a Mark Twain story* [R. 35, 37], *that even if defendant's picture is a poor one it would not "dim Mark Twain's fame or his claim to mention in literary fame"* [R. 37], *and that they have stated no cause of action based on "moral rights of authors,"* because that right was one personal to Mark Twain and died with him. [R. 38.]

Plaintiffs' case narrows down, then, to the fact that defendant caused to be inserted in some advertisements in

newspapers, such phrases as "Mark Twain's tale of a gamble in hearts!," "Mark Twain's Favorite Story," "Mark Twain's Lovable Rogue, who would a-wandering and a-wooing go," and "A Story only Mark Twain Could Tell." [R. 9.]

The amended complaint does *not* allege, as plaintiffs state (Op. Br. 15) that "the Mark Twain Estate is receiving considerable income . . . particularly by the licensing of motion picture rights" in the copyrighted Mark Twain stories which they own to producers of motion picture photoplays. In any event, their contention is that if they have no remedy in this Court, prospective purchasers would, like defendant, produce motion pictures based on Mark Twain works which are in the public domain (or of which plaintiffs do not own the copyright), and use similar advertising slogans which, plaintiffs say, might be construed by theatre patrons as indicating not only that the pictures were *based on* the stories but that they were *exact* picturizations of those stories.

In the first place, no reasonable trier of fact could find that a prospective theatre-goer would reasonably be misled by the advertising slogans of which plaintiffs complain. It is obviously impossible to produce a full length motion picture of a short story of a few pages—dealing with a *single* incident [R. 9]—without expanding it and adding sequences to the original. Furthermore, it is common knowledge that, in adapting any literary work to a different medium (motion pictures), it is necessary that some changes be made and it is invariable that some changes are made. Indeed, unlike the present case, the original name of the story is usually retained for the motion picture. It is clear, as a matter of law, from the analyses of

the story and picture set out by plaintiffs themselves, that defendant is guilty of no deception in connection with this "very popular" [R. 7] short story.

Assuming, however, that defendant's slogans did not accurately represent the relationship between motion picture and story, still *plaintiffs* have no cause of action. Defendant neither "passed off" nor "misappropriated" so as to be guilty of unfair competition:

The general purpose of the law of unfair competition "is to prevent one person from passing off his goods or his business as the goods or business of another." (*American Steel Foundries v. Robertson*, 269 U. S. 372, 381, 70 L. Ed. 317, 320.) The brief and conclusive answer to any contention on the part of plaintiffs based on this doctrine is that *defendant's advertisement* (that BEST MAN WINS is a completely exact picturization of THE JUMPING FROG) *cannot possibly lead anyone to believe that BEST MAN WINS is "the goods or business" of PLAINTIFFS or that PLAINTIFFS made the picture or own the story or that PLAINTIFFS are in any way connected with the picture or story.*

If defendant is guilty of any misrepresentation, it is not directed to plaintiffs. Furthermore, there is no allegation of secondary meaning referring to these plaintiffs.

Moreover, *defendant has appropriated nothing from plaintiffs. It has not copied nor used in any manner any literary property, copyrighted or not, in which plaintiffs have an interest, nor used any trade-mark or name to which plaintiffs have an exclusive right.*

A well known line of cases definitely disposes of any possible contention that plaintiffs have a cause of action

based on unfair competition. They specifically hold that *even though a defendant may be guilty of misrepresenting his own product to the public, his competitor has no private cause of action against him* (unless that defendant is attempting to pass off his own goods as that of plaintiffs), and it should be noted that *in the case at bar the parties are not even competitive*, so that the possibility of injury to plaintiffs is far more remote than in the following cases.

In *American Washboard v. Saginaw Mfg. Co.*, 103 Fed. 281, plaintiffs attempted to set out a case of unfair competition, but it was held that a demurrer to the complaint had been properly sustained. Plaintiff was engaged in the manufacture and sale of washboards which enjoyed a high reputation and which had been sold in large quantities. The rubbing face of the boards were made of aluminum and were marked with the word "aluminum." Plaintiff had a monopoly of aluminum and was the only manufacturer making boards using this material. Plaintiff had advertised extensively.

Defendant, knowing the above, branded its washboard "aluminum" and advertised them as aluminum; defendant's boards were in fact made of zinc and contained no aluminum.

The Court wrote that the complaint:

"undertakes to make a case, not because the defendant is selling its goods as and for the goods of complainant, but because it is the manufacturer of a genuine aluminum board, and the defendant is deceiving the public by selling to it a board not made of aluminum, although falsely branded as such, being in fact a board made of zinc material; that is to say,

the theory of the case seems to be that complainant, manufacturing a genuine aluminum board, has a right to enjoin others from branding any board 'Aluminum' not so in fact, although there is no attempt on the part of such wrongdoer to impose upon the public the belief that the goods thus manufactured are the goods of complainant. We are not referred to any case going to the length required to support such a bill. It loses sight of the thoroughly established principle that the private right of action in such cases is not based upon fraud or imposition upon the public, but is maintained solely for the protection of the property rights of complainant. It is true that in these cases it is an important factor that the public are deceived, but it is only where this deception induces the public to buy the goods as those of complainant that a private right of action arises." (Pp. 284-5.)

"If the doctrine contended for by complainant in this case was to be carried to its legitimate results, we should, as suggested by Mr. Justice Bradley in the case of *New York & R. Cement Co. v. Coplay Cement Co.*, (C. C.) 44 Fed. 277, open a Pandora's box of litigation. A person who undertook to manufacture a genuine article could suppress the business of all untruthful dealers, although they were in no wise undertaking to pirate his trade." (P. 285.)

In *Borden's Condensed Milk Co. v. Horlick's Malted Milk Co.*, 206 Fed. 949, the complaint alleged that defendant's advertising misrepresented defendant's product and in dismissing the complaint the Court wrote as follows:

"As indicated, there is nothing to show that complainant had any peculiar right, power or property in respect of the manufacture of malted milk, which was either susceptible of being, or had in fact been,

exclusively appropriated by it in such manufacture; and the case narrows down to this: Can it prevent the defendants from claiming for or ascribing to themselves or their product 'qualities, titles, or rewards' which they may not actually possess or be entitled to? Take an analogous case: Rival shopkeepers are engaged in selling a fabric which may be of foreign or domestic manufacture. The foreign fabric is concededly of better quality, and consequently in greater favor. One dealer sells only the foreign, the other only the domestic, fabric. Suppose the latter advertises or proclaims the article sold by him to be of foreign manufacture, and that his establishment is the only one so dealing in such fabric of 'genuine foreign' manufacture; has he invaded or taken from his rival's property rights? It would seem not. His act consists in an attempt to deceive the public, and, while his rival may be injured, he is not deprived of any personal legal right. Both are in the competitive field, and, while each may guard his own rights against invasion by the other, neither can, by injunction, exercise a censorship or guardianship over the commercial morals of the other in respect of appeals to the public, which are not based upon a deprivation of something legally belonging to the one claiming injury." (Pp. 952-3.)

In *Armstrong Cork Co. v. Ringwalt Linoleum Works*, 235 Fed. 458, plaintiffs were three linoleum manufacturers who produced 54 per cent of the product in the United States. They charged defendant with unfair com-

petition on the ground that defendant made a cheap and inferior product which was not linoleum but which defendant advertised as such. The Court wrote:

“The gravamen of the charge is that the defendant is making and vending a spurious article, and deceiving the public into buying it as genuine, with the result that the genuine article is discredited in reputation, and that the plaintiffs, who make and sell only the genuine article, are damaged. Such damages, however, are not the result of any attacks upon the property rights of the plaintiffs, and a right of action of the kind here pressed lies only when a property right has been invaded. *Canal Company v. Clark*, 13 Wall. (80 U. S.) 311, 20 L. Ed. 581; *Goodyear India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U. S. 604, 9 Sup. Ct. 166, 32 L. Ed. 535; *Brown Chemical Co. v. Meyer*, 139 U. S. 544, 11 Sup. Ct. 625, 35 L. Ed. 247; *Elgin National Watch Co. v. Ill. Watch Co.*, 179 U. S. 665, 21 Sup. Ct. 270, 45 L. Ed. 365; and *American Washboard Co. v. Saginaw Mfg. Co.*, 103 Fed. 281, 43 C. C. A. 233, 50 L. R. A. 609. At the close of the argument on such motion, the court so expressed itself.” (P. 460.)

“A discussion of the cases cited by plaintiffs’ counsel as holding a different view—to my mind distinguishable from the instant case—would be profitless, as the case of *American Washboard Co. v. Saginaw Mfg. Co.*, *supra*, in my judgment, furnishes the law controlling the case at bar.” (P. 460.)

“That case has been frequently cited with approval. See *Daviess County Distilling Co. v. Martinoni* (C. C.) 117 Fed. 186; *American Wine Co. v. Kohlman* (C. C.) 158 Fed. 830; *Lowe Bros. Co. v. Toledo Varnish Co.*, 168 Fed. 627, 94 C. C. A.

83; *Rathbone, Sard & Co. v. Champion Steel Range Co.*, 189 Fed. 26, 110 C. C. A. 596, 37 L. R. A. (N. S.) 258; *Edward Hilker Mop Co. v. United States Mop Co.*, 191 Fed. 613, 112 C. C. A. 176; *Borden Ice Cream Co. v. Borden's Condensed Milk Co.*, 201 Fed. 510, 121 C. C. A. 200; *Borden's Condensed Milk Co. v. Horlick's Malted Milk Co.* (C. C.) 206 Fed. 949.

"The bill is dismissed, with costs." (P. 461.)

In *Mosler Safe Co. v. Ely-Norris Safe Co.*, 273 U. S. 132, 71 L. Ed. 578, the Supreme Court followed the principle of the *American Washboard Co.* case, when it did not affirmatively appear that plaintiff had a monopoly in his product. (The Court expressly stated that it was not ruling on the question of plaintiff's rights if it in fact did have a monopoly.) Defendant treats this case only briefly at this point because it is referred to in the opinion of the *California Apparel* case which defendant hereafter sets out at some length because it is a recent, clear and cogent expression of the law as it stands today.

It should be noticed that plaintiffs, in the case at bar, do not have a monopoly; they own only a portion of the extant works by Mark Twain, and thus come squarely within the Supreme Court holding in the *Mosler Safe Co.* case, as well as the others in the above mentioned line of cases.

Indeed, plaintiffs' position is much more difficult than was that of the plaintiffs in the above cases. Plaintiffs do not—and cannot—contend that defendant lured plaintiffs' customers away by misleading advertising. The parties are not competitive. Plaintiffs here contend that defendant is setting a bad example. (Op. Br. 16.)

If plaintiffs' theory is sound, then any person in any business can recover against any other person who makes any misrepresentation in his advertising. It would make no difference whether the parties were in the same business or whether one sold hats and the other blast furnaces: the complainant could always claim that if the defendant "gets away" with the practice, someone else, in the same business as complainant, could make misrepresentations and get away with it and thus injure him. That is, plaintiffs Chamberlain, et al., here, do not claim that Columbia Pictures is directly persuading plaintiffs' potential customers to deal with Columbia instead of plaintiffs (as was the claim in the American Washboard and Mosler Safe Co. cases); plaintiffs argue that if Columbia can misadvertise its pictures, others can do so too. In other words, plaintiffs contend that unless this Court rules in their favor a principle will be established which will permit false advertising. But no different principle would be established if Columbia, instead of producing and advertising a motion picture as "Mark Twain's," had manufactured and advertised zinc washboards and advertised them as aluminum. Plaintiffs' argument would be equally applicable: if Columbia can misrepresent their washboards, then Paramount Pictures can misrepresent their motion pictures and, therefore, Paramount would not buy plaintiffs' copyrighted Mark Twain stories because it could write its own story based on one of Twain's which was in the public domain, distort and add to it, and advertise it as "one of Mark Twain's stories."

It is hoped that this illustrates that plaintiffs must have an exclusive right and they must be injured directly by defendant's acts. Under plaintiffs' argument, the fact that Columbia's alleged misrepresentation referred to

Mark Twain is irrelevant. Any misrepresentation whatsoever would serve plaintiffs' argument just as well.

Plaintiffs own certain copyrights, and if anyone interferes with them plaintiffs have their remedies under the copyright laws. The public is protected in the present situation—if Columbia has, in fact, misrepresented its product—by Sections 5 of the Federal Trade Commission Act.

In *California Apparel Creators v. Wieder of California* (July 30, 1947), 162 F. 2d 893, a group of manufacturers and dealers in wearing apparel, located in the State of California, brought an action for unfair competition against manufacturers and dealers in wearing apparel located in New York. Plaintiffs sought damages and an injunction to prevent defendants from using the names "California" or "Californian" in connection with their businesses.

Plaintiffs asserted that California-made wearing apparel was superior in quality and design and that plaintiffs had spent large sums of money advertising their wares and had succeeded in getting this idea accepted by the buying public.

The trial court granted defendants' motions for summary judgment and the second circuit, Judge Clark writing the opinion, affirmed, pointing out that:

"So far as the consumer is concerned, he is not dependent upon the private remedial actions brought by competitors; for the remedies under the Federal Trade Commission Act, at least as amended in 1938, 15 U. S. C. A. § 45, are now extensive, and are employed by the Commission to prevent misleading of the public as to the origin of an article sold at retail. Here, therefore, we are concerned only with

the remedial rights of individual businesses and whether or not such businesses have been damaged by the unfair competition of the defendants.” (P. 896; emphasis added.)

“Turning, therefore, to the merits of the claim for unfair competition, we find, it of course settled that a geographical name, indicative of the place of manufacture, cannot be appropriated as a trademark. *Columbia Mill Co. v. Alcorn*, 150 U. S. 460, 464, 14 S. Ct. 151, 37 L. Ed. 1144; *Canal Co. v. Clark*, 80 U. S. 311, 13 Wall. 311, 20 L. Ed. 581; *La Touraine Coffee Co. v. Lorraine Coffee Co.*, 2 Cir. 157 F. 2d 115, certiorari denied *Lorraine Coffee Co. v. La Touraine Coffee Co.* 329 U. S. 771, 67 S. Ct. 189. But, as plaintiffs contend, a geographical name may acquire a secondary significance which will support an action for unfair competition. Our case concerns that question; we have to see whether or not plaintiffs have such rights in the name of their state that defendants’ use thereof is deceptive to their potential customers and causes them injury and loss.

“In the development of this branch of the law the name or mark acquired its secondary or actionable significance as identification of the source of manufacture of the goods, and hence as showing the origin of the goods. Hence we find the rule so often stated that to establish such a secondary meaning, while it is not necessary to show that the public has become conscious of the personal identity of the manufacturer, yet *it must be shown that whatever is asserted to carry the secondary meaning has come to signify origin from a single, though anonymous, source.* *Crescent Tool Co. v. Kilborn & Bishop Co.*, 2 Cir. 247 F. 299; *Coty, Inc. v. Le Blume Import*

Co., D. C. S. D. N. Y. 292 F. 264, affirmed 2 Cir., 293 F. 344; *Shredded Wheat Co. v. Humphrey Cornell Co.*, 2 Cir., 250 F. 960; *Coca Cola Co. v. Koke Co., of America*, 254 U. S. 143, 146, 41 S. Ct. 113, 65 L. Ed. 189; cases collected 150 A. L. R. 1092, 1093; 3 Restatement Torts, 1938, §715, comment b, §727, comment a, §730, comment a. 'Indeed,' as Judge Learned Hand put it in *Bayer Co. v. United Drug Co.*, D. C. S. D. N. Y., 272 F. 505, 509, 'the whole law of "secondary meaning" is built upon that presupposition. The same idea was expressed recently by the Supreme Court in *Kellogg Co. v. National Biscuit Co.*, 305 U. S. 111, 118, 59 S. Ct. 109, 113, 83 L. Ed. 73, when Justice Brandeis said: 'It must show that the primary significance of the term in the minds of the consuming public is not the product but the producer.' To the same effect are *Elgin Nat. Watch Co. v. Illinois Watch-Case Co.*, 179 U. S. 665, 674, 21 S. Ct. 270, 45 L. Ed. 365, and *Armstrong Paint & Varnish Works v. Nu-Enamel Corporation*, 305 U. S. 315, 336, 59 S. Ct. 191, 83 L. Ed. 195." (Pp. 897-8; emphasis added.)

"In *New York & R. Cement Co. v. Coplay Cement Co.*, C. C. E. D. Pa., 44 F. 277, 10 L. R. A. 833, rehearing with memorandum, C. C., 45 F. 212, the plaintiff was one of several cement manufacturers located at Rosendale, N. Y., who marketed their products under the name of 'Rosendale Cement.' The defendant manufactured cement elsewhere and sold it as Rosendale cement. Mr. Justice Bradley, sitting on circuit, applied the single-source rule strictly to defeat the plaintiff's claim of unfair competition. This case was cited with approval and even pressed further in *American Washboard Co. v. Saginaw Mfg. Co.*, 6 Cir., 103 F. 281, 50 L. R. A. 609, distinguished by the high authority of the bench

then sitting, with Day, J., writing the opinion with the concurrence of Judges Taft and Lurton. Here the court refused to enjoin defendant from representing its zinc washboards as 'Aluminum' at the suit of plaintiff, the sole manufacturer of washboards with aluminum rubbing surfaces, holding that plaintiff had not established its use of the name prior to defendant's, could not sue merely for deceit of the public, and failed because it did not show direct loss of customers or direct injury to itself.

"These cases of course are authorities against the plaintiffs' claims; but we need not go so far or decide to what extent they still represent the law. For we have precedents more direct and more apt from this circuit and from the Supreme Court. In *Ely-Norris Safe Co. v. Mosler Safe Co.*, 2 Cir. 7 F. 2d 603, Judge L. Hand, in discussing the *Coplay Cement* case, pointed out that it did not appear that the plaintiffs were the only persons making cement at Rosendale. He continued: 'There was no reason, therefore, to assume that a customer of the defendant, deceived as to the place of origin of the defendant's cement, and desiring to buy only such cement, would have bought of the plaintiffs. It resulted that the plaintiffs did not show any necessary loss of trade through the defendant's fraud upon its own customers.' . . . Finding that the plaintiff had alleged a monopoly from which the inference of loss of customers followed, he reversed the dismissal below.

"While this decision was in turn reversed by the Supreme Court, *Mosler Safe Co. v. Ely-Norris Safe Co.*, 273 U. S. 132, 47 S. Ct. 314, 71 L. Ed. 578, it was done on the ground that in this case, also, no exclusive right was shown by the plaintiff. The

plaintiff had a patent on an explosion chamber in a safe as protection against robbery. But as Justice Holmes points out, it was consistent with every allegation in the bill that there were other safes with explosion chambers besides that for which the plaintiff had a patent. Hence there appeared nothing to prevent the defendant from making a representation that its safes had an explosion chamber if the representation was true. He continued: 'If on the other hand the representation was false as it is alleged sometimes to have been, *there is nothing to show that customers had they known the facts would have gone to the plaintiff rather than to other competitors in the market, or to lay a foundation for the claim for a loss of sales.*' 273 U. S. 132, 134, 47 S. Ct. 314, 71 L. Ed. 578.

"This decision and the implication from the two opinions, construed together, have been widely accepted as prevailing law. *They constitute significant emphasis upon the need of individualizing the injury asserted, and thus point to the weak element of the plaintiffs' case here.* To recover damages or to receive protective relief against the actions of these defendants, plaintiffs must therefore show not only a representation by defendants which is false and deceitful in the sense of luring customers to their doors wrongfully, but also that plaintiffs have lost their own rightful custom thereby. This is a grant of summary judgment, and hence we must accept as facts those which the plaintiffs show they intend in good faith to prove. They must, however, dis-

close in their affidavits what they do intend to rely upon. *Engl. v. Aetna Life Ins. Co.*, 2 Cir., 139 F. 2d 469.

* * * * *

"It is nowhere claimed that there is, or will be, available any proof of specific customers diverted from specific plaintiffs through the actions of these defendants. The only possible suggestion of injury is by a strained process of inference, as by the suggested conclusion that the general effect of defendants' actions must have diverted customers from the plaintiffs. Here we are met with the direct difficulty found insurmountable by Justice Holmes in the *Ely-Norris Safe Co.* case, that there is no reason to assume that defendants' customers, deceived as to the place of origin, would otherwise have bought of these plaintiffs.

* * * * *

"True, the complaint here contains, in addition to the general allegations of superiority of the California clothes, certain general allegations that the inferior character of the defendants' clothes injures the reputation of California clothes.

* * * * *

"Were such injury by deleterious quality directly charged by specific and comparative facts, we would still be thrown back, however, on the question of lack of showing of loss to these particular plaintiffs. out of all the California manufacturers who conceivably might be injured. In other words, the difficulty found in the *Ely-Norris* case still exists in much more pointed fashion than it did there." (Pp. 899-901; emphasis added.)

It is not sufficient for plaintiffs to allege merely that defendant had no right to advertise as it did; plaintiffs must show a right in THEMSELVES which is legally protectible:

In *Ambassador Hotel Corp. v. Hotel Sherman Co.*, 226 Ill. App. 247, the Court, in affirming judgment for defendant (rendered after demurrer to complaint was sustained), wrote:

“The right of the complainants to the relief prayed for may not be predicated upon the weakness of the right of defendant to use the trade-name involved, but must be established, if at all, upon the affirmative fact that the complainants had such a property right in the use of the name as made the defendant’s use of it an infringement. In Maxwell v. Hogg, L. R. 2 Ch. 307 . . . Cairns, L. J., said: ‘The first question to be determined is, is there a right, or is there a property on the part of plaintiff, to be protected? For if there is only loss sustained, without there being a right of property to be protected, this court cannot interfere; and finally, I think we must leave out of the case any observation which may possibly have to be made with regard to the conduct of the defendant’.” (Emphasis added.)

Plaintiffs’ position in the case at bar is analogous to the position of a retail merchant who has purchased some goods from a manufacturer for resale. The retailer cannot maintain an action against a third person for misrepresenting his goods as those of the manufacturer either on the basis of trade-mark or unfair competition. The right to protect the mark or secondary meaning lies solely in the manufacturer. Thus, in *Krauss v. Jos R. Peebles’ Sons Co.*, 58 Fed. 585, it was held

that a vendee for resale (who had a five year exclusive contract with the vendor who had agreed not to permit others to use the mark) of a trade-marked article, could not maintain an action against a third person for piracy of the vendor's trade-mark.

In *Lacroix v. Nodal*, 6 So. 795, Nodal had a right, by license, to use the trade-mark of another. He complained that Lacroix had interfered with the trade-mark. The case was dismissed on the pleadings on the ground that no cause of action was stated. The Court wrote that Nodal was "not the owner of the trade-mark which they sought to vindicate, and . . . therefore, they had no cause or reason to judicially claim any other right than that of using it in their dealings under the authority of their" licensors.

In *Font & Co. v. Lopez Bros.*, 36 Puerto Rico Reports, 233, plaintiff imported and sold a certain product made by X and used X's trade-mark. Held: Plaintiff cannot enjoin defendant from infringement.

In *Richards & Company v. Butchee*, 62 L. T. Reps. 867, X agreed to consign their product for sale exclusively to plaintiff. Plaintiff sued defendant, a merchant, to enjoin the latter from selling the product in imitation of X's trade-mark. Held: plaintiff had no right to bring the action; it had no interest in the trade-mark and had no right to restrain the fraudulent use of it.

In a case involving the same principle, *Societe des Hueles D'Olive de Nice v. Rorke*, 39 N. Y. Supp. 28, the Court, in affirming a judgment dismissing the complaint, wrote:

"To sustain this cause of action, it was *necessary for the plaintiff to prove that the trade-mark or label, the use or imitation of which the action was brought*

to enjoin, was, plaintiff's trade-mark, invented and used by the plaintiff to designate its goods; and to the use of which it had the sole and exclusive right. In this respect the plaintiff's proof fails." (P. 29; emphasis added.)

Whatever rights Clemens may have had prior to his death, based on unfair competition, plaintiffs did not acquire these rights and plaintiffs do not so allege. Plaintiffs *could not* have acquired any rights which formerly belonged to Clemens because Clemens, an author, did not have a "business" of such a nature that it could have been transferred. Plaintiffs inherited merely certain copyrights in specific Mark Twain stories. "Good will may not be sold or transferred separate from the business with which it is associated; and a trade-mark or trade name cannot be transferred separate from the good-will which it represents. Therefore, a trade-mark or name may not be transferred except with the business of which it is the outward sign." (*Nims Unfair Competition and Trade-marks*, 4th Ed. 1947, page 85.) "There is no property in a trade-mark apart from the business or trade-mark with which it is employed." *American-Steel Foundries v. Robertson*, 269 U. S. 372, 381, 70 L. Ed. 317-320.

Plaintiffs devote pages of the section of their opening brief entitled "B. As to Unfair Competition" (pp. 17-19) to further reference to authorities on technical trade-marks. Defendant feels that no other answer is required of it than a reference to the first portion of this brief which relates to trademarks.

Plaintiffs state (Op. Br. 19) that the courts, "without specifically saying so, have restrained the use of a title of a literary property" on the theory of "dilution."

That is not true. All of the cases in which defendant was restrained from using the title of plaintiff's literary work, were cases of unfair competition involving passing off; in each, plaintiff had proven secondary meaning. Thus, in perhaps the best known of these cases, *Warner Bros. v. Majestic Pictures Corporation*, 70 F. 2d 310, plaintiff had made a series of photoplays under the title "GOLD DIGGERS" which they had extensively advertised and from which their revenues had amounted to several million dollars. Before plaintiff's last picture under that title had been completed, defendant produced a motion picture "GOLD DIGGERS OF PARIS." The Court held that the title "GOLD DIGGERS" had acquired a distinctive secondary meaning and that the use of "GOLD DIGGERS" would falsely represent to the public that defendant's picture was produced by plaintiff. Plaintiff was granted an injunction restraining defendant from using the words "GOLD DIGGERS" in connection with its picture unless defendant affixed thereto a notice that the picture was its own production and was not based upon the plaintiff's pictures.

Compare the *Gold Diggers* case with *Jackson v. Universal International Pictures*, 95 A. C. A. 99 (Calif.), decided late 1949. Plaintiff there had written a stage play entitled "SLIGHTLY SCANDALOUS" and had produced and advertised it; thereafter defendant released and distributed throughout the country a motion picture also entitled "SLIGHTLY SCANDALOUS." "There was no similarity whatever between the picture and the play except the title." The trial court's judgment in favor of plaintiff was reversed on the ground that, although plaintiff had pleaded and offered evidence to support its allegation of secondary meaning, that evidence was not sufficient to *prove* secondary meaning. "The acquisition of a sec-

ondary meaning creates a right akin to a property right. Without such acquisition that is no right. . . . The essence of appellants' wrong, if one was committed, was in the distribution of a motion picture which, from its title, the public generally would mistakenly conclude was made from respondent's play. (See *Armstrong Paint & V. Works v. Nu-Enamel Corp.*, 305 U. S. 315, [59 S. Ct. 191, 83 L. Ed. 195, 207].)" (P. 104; emphasis added.)

As defendant has asserted, it is clear that the name, Mark Twain, is not capable of acquiring a secondary meaning in connection with literary property, and plaintiffs have, in fact, affirmatively pleaded that the name, Mark Twain, indicates only the writings of Samuel Clemens; that is, that it has only its *primary* meaning.

The *Vogue*, *Wall*, *Dunhill*, *Academy* and *Tiffany* cases, cited by plaintiffs (Op. Br. 19-22), are all cases of unfair competition. They are not relevant to the question of whether plaintiffs here are entitled to a technical trade-mark. They involved secondary meaning and "passing off." Defendant does not dispute that in unfair competition cases *once a plaintiff establishes secondary meaning* (referring to plaintiffs) there may be no requirement that defendant be in direct competition with plaintiff. But, as already pointed out, no secondary meaning is alleged in the instant, nor is it possible so far as literary property is concerned. "Mark Twain" used in connection with such stories will always have its primary meaning: a proper name, indicating the author. (The secondary meaning—inconceivable here—would be plaintiffs.)

The *Elastic Stop-Nut* and *Lady Esther* cases, decided in Illinois, referred to by plaintiffs (Op. Br. 21), are also unfair competition cases. They simply state that plaintiff does not have to prove *actual* "palming off" by defendant of the latter's goods as the goods of plaintiff, but that it is sufficient if such "palming off" is likely. "Secondary meaning" still is the essence of these cases. Plaintiffs seem to confuse the requirement of "secondary meaning" with that of actual "palming off." If this distinction is not recognized, then the entire concept of secondary meaning, now recognized by every court in this country, is overturned. Secondary meaning is dispensable only when defendant has misappropriated something of value from *plaintiff*—for example, his goodwill and reputation.

See:

Palmer v. Gulf Pub. Co., 79 Fed. Supp. 731.

The *Uproar* case (Op. Br. 23) holds merely that once a person has the exclusive right to the use of another's name, that right having been acquired by contract, he can enjoin others from using it, but *defendant's point in the case at bar is that plaintiffs have no exclusive right to the use of the name Mark Twain either by virtue of trade-mark or other unfair competition principles*. In the *Uproar* case, the Court enjoined the misappropriation of a substantial exclusive right owned by the other party because of grant by contract. No misappropriation from plaintiffs can be found in the case at bar.

Almost the entire bulk of plaintiffs' brief is concerned with the extent of their rights *if* they have a valid trade-mark or a secondary meaning. It is submitted that defendant has shown that they do not have either. *The only thing plaintiffs inherited from Mark Twain were rights in specific copyrighted stories.*

Plaintiffs urge the Court to extend the law to protect them in the case at bar. They have cited no cases either in trade-mark or unfair competition to justify their position.

"The fact that no precedent can be found to sustain an action in any given case is cogent evidence that a principle does not exist upon which the right may be based."

Roberson v. Rochester Folding Box Company, 171 N. Y. 538, 59 L. R. A. 478, 481.

Respectfully submitted,

MITCHELL, SILBERBERG & KNUPP and
LEONARD A. KAUFMAN,

Attorneys for Defendant, Columbia Pictures Corporation.

